

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

IN RE:)	
)	Chapter 11
CITATION CORPORATION, et al.,¹)	
)	Case No. _____
Debtors.)	(Jointly Administered)

DEBTORS' MOTION FOR EXPEDITED HEARING ON FIRST-DAY PLEADINGS

COME NOW, Citation Corporation ("Citation"), its holding company, and certain of its direct and indirect subsidiaries (the "Subsidiaries"), as debtors and debtors in possession (collectively, the "Debtors"), by and through their undersigned counsel, and move this Court (this "Motion") to set an expedited hearing on the First-Day Pleadings (as defined below) as quickly as the Court's docket will allow. In support of this Motion, the Debtors rely on the Affidavit Of Charles P. Bloome In Support Of Debtors' Motion For Expedited Hearing On First-Day Pleadings, attached hereto as Exhibit "A," as well as the Affidavit of Charles P. Bloome in Support of Chapter 11 Petitions and First Day Orders, filed contemporaneously herewith, and state as follows:

¹ In addition to the Citation Corporation, the Debtors include the following entities: (i) Citation Holding Company, (ii) Berlin Foundry Corporation, (iii) Bohn Aluminum, Inc., (iv) Castwell Products, Inc., (v) Citation Precision, Inc., (vi) HI-TECH, Inc., (vii) Iroquois Foundry Corporation, (viii) ISW Texas Corporation, (ix) Mansfield Foundry Corporation, (x) OBI Liquidating Corp., (xi) Texas Steel Corporation, (xii) TSC Texas Corporation, (xiii) Citation Aluminum, LLC, (xiv) Citation Castings, LLC, (xv) Citation Grand Rapids, LLC, (xvi) Citation Lake Zurich, LLC, (xvii) Citation Michigan, LLC, (xviii) Citation Wisconsin Forging, LLC, (xix) Citation Wisconsin, LLC, (xx) ITM Holding Co., LLC, (xxi) Interstate Southwest, Ltd., (xxii) Texas Foundries, Ltd., and (xxiii) MFC Liquidating Company, Ltd.

JURISDICTION AND VENUE

1. On September 18, 2004 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code") with the Clerk of this Court. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to §§ 1107 and 1108. The Debtors have moved this Court for joint administration of these chapter 11 cases.

2. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of the Debtors' chapter 11 cases and this Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. Also on the Petition Date, the Debtors filed with this Court the following motions, listed below by the type of relief requested (collectively, the "First-Day Pleadings"):

Final

1. Debtors' Motion For An Order Pursuant To Federal Rule Of Bankruptcy Procedure 1015(b) For Joint Administration Of Cases (the "Joint Administration Motion");
2. Debtors' Motion For An Order Granting The Debtors An Extension Of Time Within Which To File Schedules And Lists;
3. Debtors' Motion Pursuant To 11 U.S.C. §§ 105(a) And 363(b) For Authorization To Pay Prepetition Wages, Compensation, And Employee Benefits (the "Wage Motion");
4. Debtors' Motion Pursuant To 11 U.S.C. §§ 105(a) And 363(b) And (c) For Authorization To Continue The Debtors' Workers' Compensation Programs, All Other Insurance Policies, All Agreements Relating Thereto, And Pay All Obligations In Respect Thereof (the "Workers' Compensation Motion");
5. Debtors' Motion Pursuant To 11 U.S.C. §§ 105(a) And 363(b) For Authorization To Pay Prepetition Claims Of Certain Critical Trade Vendors (the "Critical Vendor Motion");

6. Debtors' Motion For An Order Pursuant To 11 U.S.C. §§ 102 And 105(a) And Bankruptcy Rules 2002(m) And 9007 Establishing Omnibus Hearing Dates And Certain Notice, Case Management And Administrative Procedures;
7. Debtors' Motion For An Order Pursuant To 11 U.S.C. §§ 105 And 363 Authorizing (a) Continued Use Of Existing Cash Management System, (b) Maintenance Of Existing Bank Accounts, And (c) Continuation Of Intercompany Transactions (the "Cash Management Motion");
8. Debtors' Motion Authorizing The Rental Of Adequate Facility In Which To Hold Meeting Of Creditors;

Interim

9. Debtors' Motion For Interim And Final Orders (i) Authorizing Debtors (a) To Obtain Post-Petition Financing Pursuant To 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) And 364(e), And (b) To Utilize Cash Collateral Pursuant To 11 U.S.C. § 363; (ii) Granting Adequate Protection To Pre-Petition Secured Parties Pursuant To 11 U.S.C. §§ 361, 362, 363 And 364; And (iii) Scheduling Final Hearing Pursuant To Bankruptcy Rules 4001(b) And (c) (the "Financing Motion");
10. Debtors' Motion Pursuant To Bankruptcy Code §§ 366(b) And 105(a) For Order Deeming Utility Companies Adequately Assured Of Future Performance And Establishing Procedure For Determining Requests For Additional Adequate Assurances Pursuant To § 366;
11. Debtors' Application For Order Approving Claims and Noticing Agent of Bankruptcy Court Pursuant to 28 U.S.C. § 186(c);

Preliminary

12. Debtors' Motion For Order Authorizing Retention Of Professionals Utilized By Debtors In Ordinary Course Of Business;
13. Debtors' Motion Pursuant To 11 U.S.C. §§ 105(a), 363, 507(a)(8), And 541 For Authorization To Pay Prepetition Sales And Use Taxes;
14. Debtors' Motion Pursuant To 11 U.S.C. §§ 105(a) And 363(b)(1) For Approval And Authorization To Establish A Severance And Key Employee Retention Plan;
15. Debtors' Application For Order Authorizing Retention And Employment Of Burr & Forman LLP As Counsel For The Debtors And Debtors In Possession;

16. Debtors' Application For Order Authorizing Retention And Employment Of Deloitte & Touche LLP As Accountants And Auditors For The Debtors And Debtors In Possession;
17. Debtors' Application For An Order Authorizing Retention And Employment Of Finley, Colmer And Company As Advisor On Supplier Issues For The Debtors And Debtors In Possession;
18. Debtors' Application For Order Authorizing Retention And Employment Of Cochran Group, Inc. As Public Relations Advisors For The Debtors And Debtors In Possession;
19. Debtors' Application For An Order Authorizing Retention And Employment Of XRoads Solutions Group As Operational Advisors For The Debtors And Debtors In Possession; and
20. Debtors' Application For Order Under 11 U.S.C. §§ 327(a) And 328(b) And Fed. R. Bankr. P. 2014(a) And 2016 (i) Authorizing The Retention And Employment Of And (ii) Approving The Proposed Fee Structure Of Miller Buckfire Lewis Ying & Co., LLC As Financial Advisor And Investment Banker To The Debtors And Debtors In Possession As Of The Petition Date.

FACTUAL BACKGROUND

4. Facing its biggest challenges of all -- a sluggish industry and skyrocketing materials costs -- Citation and its affiliated companies have filed for chapter 11 bankruptcy in the U.S. Bankruptcy Court in Birmingham, Alabama. This action was taken to reorganize Citation's businesses into a profitable company that will continue to serve its customers. The Citation companies continue to operate their businesses and manage their properties as debtors in possession in accordance with the Bankruptcy Code.

5. Since its inception in 1974, Citation has forged a name for itself within the metal components industry by focusing on one overriding goal; total customer satisfaction. Citation has done this by acquiring capable leadership, loyal production workers and responsive suppliers.

6. Like every action Citation has taken over the years, chapter 11 was undertaken with customers in mind. The company is confident that a court-guided reorganization will give Citation the breathing room it needs to improve cash flow and emerge as a profitable company serving its many customers. The Citation companies will continue to use sound management practices to operate their businesses and manage their properties as debtors in possession in accordance with the Bankruptcy Code.

7. Citation is a privately held Delaware corporation headquartered in the Birmingham, Alabama metropolitan area. Through its wholly-owned subsidiaries, Citation designs, develops and manufactures high quality cast, forged, and machined components for the capital and durable goods industries. The products Citation manufactures are made primarily from iron, steel and aluminum materials. Citation's attention to quality, delivery and cost have allowed it to grow its customer base over the years. The company has also grown its business through a series of acquisitions. The Citation companies now own and operate sixteen facilities located in Alabama, Indiana, Wisconsin, Michigan, Illinois, Texas, and North Carolina. The Citation companies employ approximately 5,100 employees, some of whom are unionized.

8. Citation manufactures products for several market segments including the automotive, heavy truck, construction, aerospace, agricultural and commercial industries. Citation produces aluminum and iron castings. Its steel forgings are used in a wide variety of applications including braking, steering, engine and drive train parts for passenger cars and light trucks; suspension and transmission parts for heavy trucks; ground engaging tools for construction equipment; parts for aircraft engines, landing gear and structural airframes; and thousands of other critical parts for capital and durable goods. Citation sells its castings and

forgings to customers throughout the United States. Several of its largest customers are very large tier-one suppliers who make, assemble, and supply parts to automobile manufacturers.

9. Through the 1990s, Citation was a publicly traded company. In December 1999, Citation was taken private by an investment firm based in New York. A fund managed by the same firm continues to own virtually all of the shares of Citation's parent corporation.

10. Citation's cash flow challenges are typical of the industry today. All purchasers of steel have been suffering from the onslaught of record steel price increases. In the last 18 months, the price of steel scrap escalated from its traditional price of \$150 per ton to more than \$400 per ton. Other raw materials prices have also suffered dramatic price increases.

11. Ductile products account for half of Citation's sales. Steel scrap is the primary raw material used to make ductile products. Due to the unprecedented and unexpected price escalations for the purchase of steel scrap, Citation has found it difficult to maintain sufficient operating capital. Although some of Citation's customer relationships include provisions for sharing cost increases for steel scrap, Citation's relationships with several of its largest customers have no such provisions. Although Citation continues to work with customers to maintain positive, mutually beneficial relationships, Citation to date has been forced to bear the full burden of the increased price of steel scrap in many of its relationships. Citation's aluminum and other divisions have fared better, largely due to their ability to pass on the raw materials price increases.

12. In addition to the escalating price of steel scrap, Citation -- like numerous U.S. companies that provide employees with healthcare benefits -- has incurred heavy increases in the cost of health care for Citation's employees. This and an increase in the cost of utilities has further hampered Citation's cash flow.

13. Citation has a strong market share of the North American ductile iron parts industry, competing primarily with North American companies only. This is because the weight, size, and shapes of the materials and product and heavy industry's requirements for just-in-time or staged delivery generally require the ductile iron foundries to be located on the same continent as the customers. Nonetheless, there is foreign competition, primarily from China and India.

14. The entire North American ductile iron parts industry finds itself in the same predicament as Citation. Some companies have recently exited this business altogether while a few competitors are better capitalized. Citation is determined to stay in business, and to continue serving the customers, employees and suppliers who have come to rely on Citation as a partner in success. Citation's management sees chapter 11 as a positive step to better position itself until the price of steel and other raw materials can reach an equilibrium within the industry and the true cost of materials can be passed through to the end user of the product.

15. As already mentioned, one of the most significant costs to Citation has been the unprecedented increase in the price of steel scrap. Combined with Citation's debt load, this has resulted in a shortage of cash flow. For the fiscal year ended September 28, 2003, Citation and its subsidiaries reported net sales of approximately \$640,000,000 and a net loss of approximately \$120,000,000.

16. Citation and its subsidiaries are indebted under a bank debt facility in the approximate amount of \$325,000,000. This indebtedness is secured by a first lien on virtually all of the Debtors' assets. Citation's parent corporation is separately indebted under a different debt facility to a different set of creditors in the approximate amount of \$140,000,000. Citation generally has trade debt of approximately \$60,000,000.

17. Citation is owed receivables from its customers that generally total around \$90,000,000. Citation maintains inventory that has a book value of approximately \$45,000,000. Citation owns property, plants, and equipment of substantial value. Its greatest assets, however, are Citation's strong customer base and its many loyal employees.

18. As a part of its ongoing strategic review and assessment of their financial condition, Citation has determined to take advantage of its strong market share position, to strengthen the balance sheet, and to operate successfully in today's competitive environment, it must reduce its existing debt burden and increase operating efficiencies. Citation seeks protection under chapter 11 of the Bankruptcy Code to provide the necessary time to stabilize its finances and to develop and to implement a strategic plan to return its business to sustained profitability.

19. Citation filed bankruptcy with four primary goals in mind: (a) to reshape the Debtors' capital structure; (b) to improve cost efficiencies; (c) to maintain product manufacture and delivery; and (d) to negotiate with its key customers to pass on raw materials price increases. During its stay as a debtor-in-possession in chapter 11, Citation will continue to serve its customers by manufacturing high quality products at Citation's many locations throughout the United States. Once these four key goals are sufficiently met by the bankruptcy proceedings, Citation will emerge from this process as a strong, viable, and independent business positioned for increased competitiveness and sustained profitability.

RELIEF REQUESTED

20. Due to the exigent nature of the relief requested in the First-Day Pleadings, the Debtors hereby respectfully request this Court to set an immediate hearing on the First-Day Pleadings as soon as practicable on the Court's calendar.

21. The Debtors request that this Court conduct expedited hearings on the Petition Date for the following First-Day Pleadings (collectively, the "Petition Date Motions") and enter the First Day Orders as proposed therewith:

1. The Joint Administration Motion;
2. The Wage Motion;
3. The Workers' Compensation Motion;
4. The Critical Vendor Motion;
5. The Cash Management Motion; and
6. The Financing Motion.

22. It is crucial that this Court conduct a hearing on the Petition Date on the Petition Date Motions so that the Debtors can pay payroll and other employee benefits and continue to operate their businesses in an economic and efficient manner without disruption.

23. As stated above, the Debtors have approximately 5,100 employees (collectively, the "Employees"). The Employees are paid on weekly, bi-weekly, semi-monthly or monthly pay cycles. The Debtors issue payroll checks every Wednesday, Thursday and Friday.

24. The Debtors issue payroll checks on Wednesday, Thursday, and Friday of each week. As a result, it is highly probable that some of these payroll checks issued prior to the Petition Date will not have cleared the banks by the Petition Date. The Employees will suffer extreme personal hardship and be unable to pay their daily living expenses if this Court does not conduct expedited hearings on the Petition Date on the Petition Date Motions.

25. The Debtors believe that the uninterrupted payment of the payroll and other employee benefits is critical to the reorganization effort because to interrupt payment to the

Employees would undermine the Employees' support and morale. The Employees are central to the Debtors' operations and are vital to their reorganization.

26. In addition to the entry of an order granting the Wage Motion, an interim order approving the Financing and use of Cash Collateral (as defined in the proposed Interim Order) must be entered for the Debtors' to make payroll. Without the Financing and the use of Cash Collateral, the Debtors will not have sufficient cash on hand to fund the payroll. Obviously, the Debtors cannot use the Financing or the Cash Collateral until this Court enters an order granting the Financing Motion. Moreover, depending upon the time of day that the Clerk of this Court enters said order, it could be up to two (2) business days before the Financing is made available to the Debtors. Consequently, it is crucial that this Court conduct an interim hearing on the Financing Motion on the Petition Date.

27. In the Cash Management Motion, the Debtors seek authorization from this Court to continue to use their existing cash management system and to maintain their existing bank accounts. Absent order of this Court authorizing the continued use of the Debtors' cash management system and the maintenance of the existing bank accounts, the banks and other financial institutions at which the Debtors' bank accounts are maintained will not honor and pay the payroll checks. Therefore, it is likewise necessary that this Court conduct an expedited hearing on the Cash Management Motion on the Petition Date.

28. The Debtors further request that the Court set an expedited hearing within twenty-four (24) hours of the Petition Date for the remaining First-Day Pleadings.

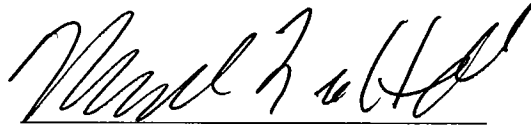
NOTICE AND PRIOR MOTIONS

29. Notice of this Motion has been given to (1) the Office of the Bankruptcy Administrator for the United States Bankruptcy Court for the Northern District of Alabama,

Southern Division; (2) counsel to JPMorgan Chase Bank as Administrative Agent for the Debtors' prepetition lenders; (3) counsel to JPMorgan Chase Bank as Administrative Agent for the Debtors' proposed postpetition lenders; (4) the Debtors' twenty (20) largest unsecured creditors (on a consolidated basis); and (5) the District Director of Internal Revenue Service for the Northern District of Alabama. The Debtors submit that given the circumstances and the notice of the relief requested herein, no other or further notice is required.

30. No previous motion for the relief sought herein has been made to this or any other court.

WHEREFORE, the Debtors request that the Court enter an order, substantially similar to the order attached hereto as Exhibit "B," granting this Motion, setting expedited hearing and granting such other and further relief as the Court deems appropriate.



Michael Leo Hall
Robert B. Rubin
Rita H. Dixon

Attorneys for Debtors and Debtors in
Possession

OF COUNSEL:
BURR & FORMAN LLP
3100 SouthTrust Tower
420 North 20th Street
Birmingham, Alabama 35203
Telephone: (205) 251-3000
Facsimile: (205) 458-5100

Exhibit "A"

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

IN RE:)
) Chapter 11
CITATION CORPORATION, et al.,¹)
) Case No. _____
Debtors.) (Jointly Administered)

**AFFIDAVIT OF CHARLES P. BLOOME IN SUPPORT OF DEBTORS'
MOTION FOR EXPEDITED HEARING ON FIRST-DAY PLEADINGS**

STATE OF ALABAMA)
)
COUNTY OF JEFFERSON)

CHARLES P. BLOOME, being duly sworn, deposes and says:

1. On September 18, 2004 (the "Petition Date"), Citation Corporation ("Citation"), its holding company, and certain of its direct and indirect subsidiaries (the "Subsidiaries"), as debtors and debtors in possession (collectively, the "Debtors"), each commenced a case under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code") in this Court. I have served as the Vice President of Finance and Chief Financial Officer of Citation since September 2000, and, therefore, am familiar with the day-to-day operations,

¹ In addition to the Citation Corporation, the Debtors include the following entities: (i) Citation Holding Company, (ii) Berlin Foundry Corporation, (iii) Bohn Aluminum, Inc., (iv) Castwell Products, Inc., (v) Citation Precision, Inc., (vi) HI-TECH, Inc., (vii) Iroquois Foundry Corporation, (viii) ISW Texas Corporation, (ix) Mansfield Foundry Corporation, (x) OBI Liquidating Corp., (xi) Texas Steel Corporation, (xii) TSC Texas Corporation, (xiii) Citation Aluminum, LLC, (xiv) Citation Castings, LLC, (xv) Citation Grand Rapids, LLC, (xvi) Citation Lake Zurich, LLC, (xvii) Citation Michigan, LLC, (xviii) Citation Wisconsin Forging, LLC, (xix) Citation Wisconsin, LLC, (xx) ITM Holding Co., LLC, (xxi) Interstate Southwest, Ltd., (xxii) Texas Foundries, Ltd., and (xxiii) MFC Liquidating Company, Ltd.

businesses, and financial affairs of the Debtors. The Debtors will continue to operate their businesses and manage their properties as debtors and debtors in possession pursuant to Bankruptcy Code §§ 1107(a) and 1108.

2. I am over the age of twenty one (21) and competent to testify regarding the matters contained herein. I am one of the persons who has custody and control of the Debtors' business records. These records were made at or near the time of the event recorded by a person (or persons) with knowledge of the event and charged with the responsibility for recording such events. These records are kept in the ordinary course of the Debtors' regularly conducted business activities, which is the Debtors' customary practice. All facts and procedures set forth herein are either (a) facts or procedures of which I have personal knowledge upon information and belief or (b) an accurate summary of the Debtors' records kept in the ordinary course of business that were reviewed by me or other employees of the Debtors' under my supervision and direction.

3. I submit this affidavit to assist the Court and other parties in interest in understanding the circumstances that compelled the commencement of these chapter 11 cases, and in support of the Debtors' voluntary chapter 11 petitions and various motions and applications of the Debtors filed with the Court contemporaneously herewith in support of the issuance and entry of first day orders. Except as otherwise indicated, all facts set forth in this affidavit are based upon my personal knowledge, my review of relevant documents, or my opinion based upon my experience, knowledge, and information concerning the Debtors' operations and financial affairs. If I were called upon to testify I would testify competently to the facts set forth in this affidavit. I am authorized to submit this affidavit.

4. Concurrently with the filing of their chapter 11 petitions, the Debtors are filing the following applications, motions (collectively, the "First Day Pleadings") with proposed orders (the "First Day Orders"). The Debtors request that each of the First Day Orders described below be entered, as each constitutes a critical element in achieving successful rehabilitation and reorganization of the Debtors for the benefit of all parties in interest.

Final

1. Debtors' Motion For An Order Pursuant To Federal Rule Of Bankruptcy Procedure 1015(b) For Joint Administration Of Cases (the "Joint Administration Motion");
2. Debtors' Motion For An Order Granting The Debtors An Extension Of Time Within Which To File Schedules And Lists;
3. Debtors' Motion Pursuant To 11 U.S.C. §§ 105(a) And 363(b) For Authorization To Pay Prepetition Wages, Compensation, And Employee Benefits (the "Wage Motion");
4. Debtors' Motion Pursuant To 11 U.S.C. §§ 105(a) And 363(b) And (c) For Authorization To Continue The Debtors' Workers' Compensation Programs, All Other Insurance Policies, All Agreements Relating Thereto, And Pay All Obligations In Respect Thereof (the "Workers' Compensation Motion");
5. Debtors' Motion Pursuant To 11 U.S.C. §§ 105(a) And 363(b) For Authorization To Pay Prepetition Claims Of Certain Critical Trade Vendors (the "Critical Vendor Motion");
6. Debtors' Motion For An Order Pursuant To 11 U.S.C. §§ 102 And 105(a) And Bankruptcy Rules 2002(m) And 9007 Establishing Omnibus Hearing Dates And Certain Notice, Case Management And Administrative Procedures;
7. Debtors' Motion For An Order Pursuant To 11 U.S.C. §§ 105 And 363 Authorizing (a) Continued Use Of Existing Cash Management System, (b) Maintenance Of Existing Bank Accounts, And (c) Continuation Of Intercompany Transactions (the "Cash Management Motion");
8. Debtors' Motion Authorizing The Rental Of Adequate Facility In Which To Hold Meeting Of Creditors;

9. Debtors' Motion For An Order Pursuant To 11 U.S.C. § 345 Authorizing The Waiver Of Investment And Deposit Requirements (the "Waiver 345 Motion");

Interim

10. Debtors' Motion For Interim And Final Orders (i) Authorizing Debtors (a) To Obtain Post-Petition Financing Pursuant To 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) And 364(e), And (b) To Utilize Cash Collateral Pursuant To 11 U.S.C. § 363; (ii) Granting Adequate Protection To Pre-Petition Secured Parties Pursuant To 11 U.S.C. §§ 361, 362, 363 And 364; And (iii) Scheduling Final Hearing Pursuant To Bankruptcy Rules 4001(b) And (c) (the "Financing Motion");
11. Debtors' Motion Pursuant To Bankruptcy Code §§ 366(b) And 105(a) For Order Deeming Utility Companies Adequately Assured Of Future Performance And Establishing Procedure For Determining Requests For Additional Adequate Assurances Pursuant To § 366;
12. Debtors' Application For Order Approving Claims and Noticing Agent of Bankruptcy Court Pursuant to 28 U.S.C. § 186(c);

Preliminary

13. Debtors' Motion For Order Authorizing Retention Of Professionals Utilized By Debtors In Ordinary Course Of Business;
14. Debtors' Motion Pursuant To 11 U.S.C. §§ 105(a), 363, 507(a)(8), And 541 For Authorization To Pay Prepetition Sales And Use Taxes;
15. Debtors' Motion Pursuant To 11 U.S.C. §§ 105(a) And 363(b)(1) For Approval And Authorization To Establish A Severance And Key Employee Retention Plan;
16. Debtors' Application For Order Authorizing Retention And Employment Of Burr & Forman LLP As Counsel For The Debtors And Debtors In Possession;
17. Debtors' Application For An Order Authorizing Retention And Employment Of Finley, Colmer And Company As Advisor On Supplier Issues For The Debtors And Debtors In Possession;
18. Debtors' Application For Order Authorizing Retention And Employment Of Cochran Group, Inc. As Public Relations Advisors For The Debtors And Debtors In Possession; and

19. Debtors' Application For An Order Authorizing Retention And Employment Of XRoads Solutions Group As Operational Advisors For The Debtors And Debtors In Possession.

5. The Debtors request that this Court conduct expedited hearings on the Petition Date for the following First-Day Pleadings (collectively, the "Petition Date Motions") and enter the First Day Orders as proposed therewith:

1. The Joint Administration Motion;
2. The Wage Motion;
3. The Workers' Compensation Motion;
4. The Critical Vendor Motion;
5. The Cash Management Motion;
6. The Waive 345 Motion; and
7. The Financing Motion.

6. It is crucial that this Court conduct a hearing on the Petition Date on the Petition Date Motions so that the Debtors can pay payroll and other employee benefits and continue to operate their businesses in an economic and efficient manner without disruption.

7. As stated above, the Debtors have approximately 5,100 employees (collectively, the "Employees"). The Employees are paid on weekly, bi-weekly, semi-monthly or monthly pay cycles. The Debtors issue payroll checks every Wednesday, Thursday and Friday.

8. The Debtors issue payroll checks on Wednesday, Thursday, and Friday of each week. As a result, it is highly probable that some of these payroll checks issued prior to the Petition Date will not have cleared the banks by the Petition Date. The Employees will suffer extreme personal hardship and be unable to pay their daily living expenses if this Court does not conduct expedited hearings on the Petition Date on the Petition Date Motions.

9. The Debtors believe that the uninterrupted payment of the payroll and other employee benefits is critical to the reorganization effort because to interrupt payment to the Employees would undermine the Employees' support and morale. The Employees are central to the Debtors' operations and are vital to their reorganization.

10. In addition to the entry of an order granting the Wage Motion, an interim order approving the Financing and use of Cash Collateral (as defined in the proposed Interim Order) must be entered for the Debtors' to make payroll. Without the Financing and the use of Cash Collateral, the Debtors will not have sufficient cash on hand to fund the payroll. Obviously, the Debtors cannot use the Financing or the Cash Collateral until this Court enters an order granting the Financing Motion. Moreover, depending upon the time of day that the Clerk of this Court enters said order, it could be up to two (2) business days before the Financing is made available to the Debtors. Consequently, it is crucial that this Court conduct an interim hearing on the Financing Motion on the Petition Date.

11. I believe that critical vendors will refuse to ship raw materials needed for manufacturing. We generally have a couple of days inventory of raw material. Negotiating with critical vendors could take days. We need the ability now to begin the critical vendor process.


12. In the Cash Management Motion, the Debtors seek authorization from this Court to continue to use their existing cash management system and to maintain their existing bank accounts. Absent order of this Court authorizing the continued use of the Debtors' cash management system and the maintenance of the existing bank accounts, the banks and other financial institutions at which the Debtors' bank accounts are maintained will not honor and pay the payroll checks. Therefore, it is likewise necessary that this Court conduct an expedited hearing on the Cash Management Motion on the Petition Date.

13. The Debtors further request that the Court set an expedited hearing within twenty-four (24) hours of the Petition Date for the remaining First-Day Pleadings.

CONCLUSION

I respectfully request that the Court set expedited hearing for the Petition Date Motions on the Petition Date and for the remaining First Day Pleadings within twenty-four (24) hours of the Petition Date.

Citation Corporation
(for itself and on behalf of its holding company and
Subsidiaries)

By: 
Charles P. Bloome
Vice President and Chief Financial Officer

Sworn to and subscribed before me
this 18 day of September, 2004.



Notary Public
12-28-04

Exhibit "B"

Proposed Order Granting Expedited Hearing

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

IN RE:)	
)	Chapter 11
CITATION CORPORATION, et al.,¹)	
)	Case No. _____
Debtors.)	(Jointly Administered)

**ORDER GRANTING DEBTORS' MOTION FOR EXPEDITED HEARING
ON FIRST-DAY PLEADINGS**

This matter came to be heard upon the motion (the "Motion") of Citation Corporation ("Citation"), its holding company, and certain of its direct and indirect subsidiaries (the "Subsidiaries"), as debtors and debtors in possession (collectively, the "Debtors"), for this Court to set an expedited hearing on the First-Day Pleadings (as defined in the Motion) as quickly as the Court's docket will allow. Upon consideration of the Affidavit of Charles P. Bloome in Support of Debtors' Motion For Expedited Hearing on First-Day Pleadings and the Affidavit of Charles P. Bloome in Support of Chapter 11 Petitions and First Day Orders; the Court having

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jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; due notice of the Motion having been provided to (1) the Office of the Bankruptcy Administrator for the United States Bankruptcy Court for the Northern District of Alabama, Southern Division; (2) counsel to JPMorgan Chase Bank as Administrative Agent for the Debtors' prepetition lenders; (3) counsel to JPMorgan Chase Bank as Administrative Agent for the Debtors' proposed postpetition lenders; (4) the Debtors' twenty (20) largest unsecured creditors (on a consolidated basis); and (5) the District Director of Internal Revenue Service for the Northern District of Alabama; and it appearing that no other or further notice need be provided; the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties in interest; upon the Motion and all of the proceedings before this Court; and after due deliberation and sufficient cause appearing therefore, it is hereby

ORDERED that the Motion is **GRANTED**; and it is further

ORDERED that, due to the exigent nature of the relief requested in the First-Day Pleadings, the Court shall conduct hearings at the United States Bankruptcy Court For the Northern District of Alabama, Southern Division, 1800 Fifth Avenue North, Birmingham, Alabama 35203, on September ____, 2004, at _____ in Courtroom _____, for each of the matters set forth below, listed by the type of relief requested therein:

Final

1. Debtors' Motion For An Order Pursuant To Federal Rule Of Bankruptcy Procedure 1015(b) For Joint Administration Of Cases
2. Debtors' Motion Pursuant To 11 U.S.C. §§ 105(a) And 363(b) For Authorization To Pay Prepetition Wages, Compensation, And Employee Benefits

3. Debtors' Motion Pursuant To 11 U.S.C. §§ 105(a) And 363(b) And (c) For Authorization To Continue The Debtors' Workers' Compensation Programs, All Other Insurance Policies, All Agreements Relating Thereto, And Pay All Obligations In Respect Thereof
4. Debtors' Motion Pursuant To 11 U.S.C. §§ 105(a) And 363(b) For Authorization To Pay Prepetition Claims Of Certain Critical Trade Vendors
5. Debtors' Motion For An Order Pursuant To 11 U.S.C. §§ 105 And 363 Authorizing (a) Continued Use Of Existing Cash Management System, (b) Maintenance Of Existing Bank Accounts, And (c) Continuation Of Intercompany Transactions

Interim

6. Debtors' Motion For Interim And Final Orders (i) Authorizing Debtors (a) To Obtain Post-Petition Financing Pursuant To 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) And 364(e), And (b) To Utilize Cash Collateral Pursuant To 11 U.S.C. § 363; (ii) Granting Adequate Protection To Pre-Petition Secured Parties Pursuant To 11 U.S.C. §§ 361, 362, 363 And 364; And (iii) Scheduling Final Hearing Pursuant To Bankruptcy Rules 4001(b) And (c)

ORDERED that the Court shall conduct hearings at the United States Bankruptcy Court For the Northern District of Alabama, Southern Division, 1800 Fifth Avenue North, Birmingham, Alabama 35203, on September ____, 2004, at ____ in Courtroom ____, for each of the matters set forth below:

Final

7. Debtors' Motion For An Order Granting The Debtors An Extension Of Time Within Which To File Schedules And Lists
8. Debtors' Motion For An Order Pursuant To 11 U.S.C. §§ 102 And 105(a) And Bankruptcy Rules 2002(m) And 9007 Establishing Omnibus Hearing Dates And Certain Notice, Case Management And Administrative Procedures
9. Debtors' Motion Authorizing The Rental Of Adequate Facility In Which To Hold Meeting Of Creditors

Interim

10. Debtors' Motion Pursuant To Bankruptcy Code §§ 366(b) And 105(a) For Order Deeming Utility Companies Adequately Assured Of Future Performance And Establishing Procedure For Determining Requests For Additional Adequate Assurances Pursuant To § 366
11. Debtors' Application For Order Approving Claims And Noticing Agent Of Bankruptcy Court Pursuant To 28 U.S.C. § 156(c)

Preliminary

12. Debtors' Motion For Order Authorizing Retention Of Professionals Utilized By Debtors In Ordinary Course Of Business
13. Debtors' Motion Pursuant To 11 U.S.C. §§ 105(a), 363, 507(a)(8), And 541 For Authorization To Pay Prepetition Sales And Use Taxes
14. Debtors' Motion Pursuant To 11 U.S.C. §§ 105(a) And 363(b)(1) For Approval And Authorization To Establish A Severance And Key Employee Retention Plan
15. Debtors' Application For Order Authorizing Retention And Employment Of Burr & Forman LLP As Counsel For The Debtors And Debtors In Possession
16. Debtors' Application For Order Authorizing Retention And Employment Of Deloitte & Touche LLP As Accountants And Auditors For The Debtors And Debtors In Possession
17. Debtors' Application For An Order Authorizing Retention And Employment Of Finley, Colmer And Company As Advisor On Supplier Issues For The Debtors And Debtors In Possession
18. Debtors' Application For Order Authorizing Retention And Employment Of Cochran Group, Inc. As Public Relations Advisors For The Debtors And Debtors In Possession
19. Debtors' Application For An Order Authorizing Retention And Employment Of XRoads Solutions Group As Operational Advisors For The Debtors And Debtors In Possession
20. Debtors' Application For Order Under 11 U.S.C. §§ 327(a) And 328(b) And Fed. R. Bankr. P. 2014(a) And 2016 (i) Authorizing The Retention And Employment Of And (ii) Approving The Proposed Fee Structure Of Miller Buckfire Lewis Ying & Co., LLC As Financial Advisor And Investment Banker To The Debtors And Debtors In Possession As Of The Petition Date

and it is further

ORDERED that counsel for the Debtors shall serve of copy of this Order on the service list of parties in interest as appears above. Such service shall be made by expeditious means (including by facsimile or electronic mail). However, to the extent a motion for expedited hearing is granted in the related cases, counsel need serve a copy of this Order in only one of the cases.

Dated this the _____ day of September, 2004.

UNITED STATES BANKRUPTCY JUDGE